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Carter Backs Aides' Actions In Billy Case

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President Carter has told Senate investigators he believes that administration officials made the correct decision in withholding from him early intelligence reports on his brother's financial dealings with Libya.

In written response to nine questions submitted to him on Sept. 24 by the Senate subcommittee investigating Billy Carter, the president also said he never saw any reason to publicly condemn his brother's association with the radical Arab nation prior to July 14, when he said he first learned that Billy Carter had received \$220,000 from the Libyan government.

The White House, stung by a draft of the subcommittee's report, which is critical of the administration's handling of the Billy Carter affair, yesterday released the president's response to the panel's questions. In the process, it took a swipe at the subcommittee for leaking its conclusions to the news media before the latest White House information "could be reviewed and reflected" in the Senate report.

In a draft of a report that is to be made public later this week, Senate investigators concluded that President Carter and several members of his administration, including Attorney General Benjamin R. Civiletti and National Security Adviser Zbigniew Brzezinski, showed poor judgment in their handling of Billy Carter's Libyan connection.

In particular, the report said the president and other White House officials had acted in a way that not only encouraged Billy Carter's relationship with Libya, but enhanced his importance in the eyes of his Arab friends at a time when his financial troubles made him vulnerable to exploitation.

"The news articles which we have seen describing the draft report indicate that the subcommittee staff has found no significant impropriety but has raised certain issues involving questions of judgment," the White House said in a statement released late yesterday.

"As is to be expected, after-the-fact opinions may differ on judgmental issues. We look forward to a final report which will present in an impartial and balanced manner the facts learned by the subcommittee and the conclusions it has reached."

The president's response, prepared by White House Special Counsel Alfred H. Moses, added little to his previous statements on the matter and, according to one Senate source, contained nothing that is likely to alter the subcommittee's initial findings.

Moses said the until July 14, when Billy Carter registered as a foreign agent, the president never discussed with his advisers "the advisability of making a private statement or public announcement" dissociating himself and his administration from Billy Carter's second trip to Libya in the fall of 1979.

He added, "The president considered Billy Carter's trips to Libya to be strictly private visits involving no governmental function or purpose . . . and did not feel that any further announcement by him or private statement to the government of Libya was called for."

The Senate subcommittee, however, concluded that the president "should have either issued a public statement or sent a private message to the Libyan government, or both, that Billy Carter did not represent the United States and that the Libyans should not expect to gain any influence in the United States by cultivating their relationship with him."

Carter has said Brzezinski informed him sometime around March 31 of Billy Carter's attempt to broker an oil deal between Libya and an American oil company. Brzezinski, who received the information in an intelligence report from CIA Director Stansfield Turner, has said he took it upon himself to call Billy Carter and warn him that his financial dealings with Libya could embarrass the president.

In response to one of the subcommittee questions, Moses said the president did not personally take up the matter with his brother because he believed such an effort would be "counterproductive."

President Carter has said he did not know about Libyan payments to his brother until July 14 — several days after some of his top aides learned of the development.

The Senate report discloses that as early as last November the FBI had "information from intelligence channels" that Billy Carter was attempting to get a loan from the Libyans and to negotiate an oil deal that would have paid him huge commissions.

It faults Civiletti for not contacting the FBI to see if it had any information to supplement an intelligence report he received in early April alerting him that Billy Carter was about to receive payments from the Libyans.

Civiletti has testified that he withheld the intelligence report from Justice Department investigators until early June rather than risk compromising sensitive intelligence sources. He also said he made the decision not to go to the president with the information.

"The subcommittee believes it is likely that the Billy Carter case would have come to an earlier conclusion if the attorney general had shared the information with a subordinate having knowledge of the case," the Senate report said.

Moses said the president believes that "public confidence in impartial law enforcement was best served by the decision reached not to bring this particular intelligence report to his attention."

He added, "The president believes that the correct policy with regard to the dissemination of intelligence information relating to possible law violations by persons close to president is to leave this decision in the first instance to the heads of the intelligence agencies."